

Message Text

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PAGE 01 DURBAN 00246 291010Z

ACTION EB-08

INFO OCT-01 AF-10 IO-13 ISO-00 L-03 FRB-03 OMB-01

ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CEA-01 XMB-02 OPIC-03 NSC-05 SS-15

/097 W

-----291016Z 047420 /14

R 290827Z APR 77

FM AMCONSUL DURBAN

TO US MISSION GENEVA 058

INFO SECSTATE WASHDC 2557

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

AMCONSUL JOHANNESBURG

LIMITED OFFICIAL USE DURBAN 0246

EO 11652: NA

TAGS: UNCTAD, ETRD, SF

SUBJ: SOUTH AFRICAN POSITION ON SUGAR NEGOTIATIONS

1. CONGEN OFFICER SPOKE WITH GENERAL MANAGER P. SALE OF THE SOUTH AFRICAN SUGAR ASSOCIATION (A PRIVATE, INDUSTRY-WIDE GROUP REPRESENTING SOUTH AFRICAN SUGAR GROWERS, MILLERS AND EXPORTERS). SALE PROVIDED FOLLOWING INSIGHTS INTO SOUTH AFRICAN DELEGATION AND ITS ATTITUDE TOWARD THE SUGAR NEGOTIATIONS:

A) SOUTH AFRICAN DELEGATION, HEADED BY ANSON LLOYD OF THE SUGAR ASSOCIATION, IS EFFECTIVELY INDEPENDENT OF GOVERNMENT CONTROL AND IS EMPOWERED TO MAKE ALL NECESSARY COMMITMENTS WITHOUT FURTHER REFERENCE TO EITHER THE S.A. GOVERNMENT OR THE SUGAR ASSOCIATION.

B) AN AGREEMENT WOULD BE DESIREABLE, BUT IS NOT VITAL TO THE SOUTH AFRICAN SUGAR INDUSTRY.

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C) THEY DESIRE A FLOOR PRICE OF AT LEAST 12 CENTS PER POUND, BUT SALE GAVE THE IMPRESSION THEY ARE PREPARED TO SETTLE FOR SOMEWHAT LESS.

D) TO AVOID POLITICAL NOTORIETY, SOUTH AFRICAN DELEGATION WILL KEEP PUBLIC EXPOSURE TO A MINIMUM AND CONCENTRATE ON LOBBY-

ING AND CORRIDOR NEGOTIATIONS TO ADVANCE THEIR INTERESTS.

2. CURRENT STATE OF S.A. SUGAR INDUSTRY, AS DESCRIBED BY SALES, MAY OFFER SOME INSIGHTS INTO THEIR ABILITY TO MAKE CONCESSIONS ON THE FLOOR PRICE. THE CURRENT CROP IS 2,040,000MT, AND NEXT YEARS IS ESTIMATED TO BE 2,100,000MT. EXPORTS ACCOUNT FOR 45 PERCENT OF PRODUCTION. THE DOMESTIC PRICE IS SET BY THE GOVERNMENT AT 9.6 CENTS PER POUND (FIGURES USED ARE US CENTS). PRODUCTION COST IS ESTIMATED AT 11.5 CENTS PER POUND, THOUGH WE SUSPECT THIS TO BE INFLATED. THE EXPORT PRICE HAS GENERALLY BEEN HIGHER THAN THE FIXED DOMESTIC PRICE AND THE EXPORT MARKET HAS THUS HELPED SUBSIDIZE THE DOMESTIC PRICE, ASSISTING THE GOVERNMENT SOMEWHAT IN COMBATting INFLATION. WHILE THE INDUSTRY IS ANXIOUS TO HAVE THE DOMESTIC PRICE INCREASED, THEY BELIEVE THE GOVERNMENT IS UNLIKELY TO DO SO.
FARBER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, DATA, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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From: DURBAN
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t1977046/aaaaaeio.tel
Line Count: 78
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cc3ab2a5-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Review Exemptions: n/a
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Status: NATIVE
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TAGS: ETRD, SF, UNCTAD, (SALE, P)
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Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/cc3ab2a5-c288-dd11-92da-001cc4696bcc
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